Budget
2016–2017

Working together for a stronger Nova Scotia

Budget Address

NOVA SCOTIA

Introduction

Mr. Speaker,

It is an honour every opportunity I have to take my seat in this historic legislature representing the constituents of Antigonish and, in my role as Minister of Finance and Treasury Board, all Nova Scotians.

Today, I am happy to say our economy is growing.

We are one of only a few jurisdictions in Canada with a budgeted surplus.

Our small business confidence is the highest in Canada.

We are working together to make Nova Scotia stronger. It's working.

It's working because we didn't seek out short-term solutions to long-standing problems.

We managed our spending and invested to create a strong foundation for long-term economic growth.

It is working because, with the support of Nova Scotians, we have stuck to this plan.

I know we will continue to stay on track because I know the people of this province are as committed to the vision of a stronger Nova Scotia as our government is.

I know we can stay on track because Nova Scotians are strong people.

Those who came before us worked to sustain their families, their communities, and their connection to this province.

They worked hard, they sacrificed, and they persevered to ensure the generations coming after them would have something better. They were committed to giving their children a better future, a stronger Nova Scotia.

Challenge is nothing new to Nova Scotia. Nova Scotians have shown perseverance and resilience.

Now is our time to do the same.

When we came to office, we received advice from the One Nova Scotia Commission. They told us we needed to change—that we needed to do economic development differently.

Nova Scotians told us that the choice was now or never.

Now the only way forward is by working together to create a stronger Nova Scotia.

We need to work together because success is not certain.

No government alone can guarantee economic growth. No government can protect against all economic shocks.

The government and all Nova Scotians have worked hard and sacrificed to restore our financial health. Because of that work, that commitment, and that perseverance, we have a surplus of $127.4 million, but one shock could knock us off course.

Mr. Speaker, I want to note the surplus includes a one-time revenue bump of $110.3 million because of federal and municipal contributions for the convention centre. This is not part of normal revenues. Therefore, to ensure our program spending doesn't exceed our ability to pay, we will use the surplus towards our debt.

Excluding this one-time revenue bump, our net position is $17.1 million.

We know economic ups and downs will continue. We know we are not immune to global slowdowns and shocks.

We also know we are not powerless. We can grow our surplus so we can become a source of stability in this region.

We are working to have sound public finances so we can weather whatever economic storm comes our way.

Our net position—$17.1 million—will help protect our financial health and create a stronger Nova Scotia.

The bottom line is positive, which means we are on the right track, but make no mistake—now is not the time to claim "mission accomplished." We must continue working together to ensure we maintain course—that we continue to balance our needs for fiscal sustainability while investing in the programs and services Nova Scotians need and deserve.

We are building a stronger Nova Scotia. We see reasons for optimism. We are optimistic because we have listened to our business community, and last year created the Office of Regulatory Affairs and Service Effectiveness to focus on red tape reduction and regulatory excellence.

Under the leadership of our Premier, Nova Scotia is working together with New Brunswick and PEI on an initiative for regional harmonization where appropriate.

We have, under the leadership of the Minister of Immigration, created new immigration streams and negotiated with the federal government to double our cap for provincial nominees.

Under the leadership of the Minister for Labour and Advanced Education, we have implemented the Graduate to Opportunity program to support employers hiring recent graduates, while the Minister of the Public Service Commission led a youth hiring initiative to bring more recent graduates and young Nova Scotians into the civil service to start their careers in Nova Scotia.

Mr. Speaker, this budget shows our commitment to working with Nova Scotians to create a stronger Nova Scotia. Our work doesn't end today—today is yet another step on the path to long-term growth and to sustainable finances.

Opportunities for Growth

Our province's economy has languished under successive governments. Our economy continued to struggle while governments spent more tax dollars, ran more deficits, and increased our debt.

Despite all of this spending, Nova Scotia had the slowest growth in real GDP of any province in Canada between 1990 and 2013.

Clearly, growing spending and growing our debt did not grow our economy.

We need to focus on making business owners confident enough so they spend their money to hire Nova Scotians.

On that front, the news is good. According to the Canadian Federation of Independent Business, Nova Scotia has the highest small business confidence in the country.

We are working with businesses to find more opportunities for growth instead of working against businesses to put up obstacles to growth.

Our government has made red tape reduction a priority.

That's why we created the Office of Regulatory Affairs and Service Effectiveness. It is there to cut red tape and remove regulatory burden. It works with other departments to develop policies that create the environment for growth. And it works to change the culture of government.

These changes help small business owners like Adam Bower, who owns the Grand Banker Bar and Grill. He started bussing tables at the restaurant when he was 18. He left and studied tourism management. Then he returned to his hometown of Lunenburg to buy the business.

Adam needed multiple permits, managed by different organizations and arms of government. Our restaurant bundle made life easier for him. It lets him see when licenses are due, it helps him stay on top of payments. It makes it easier for him to do business with government. That lets him focus on hiring more Nova Scotians.

The important work of the Office —work that creates lean, responsive, and effective government—will continue.

We also commit to keeping politics out of economic development. Under previous governments, what began as the Industrial Expansion Fund evolved into the JobsFund. Both cabinet-controlled funds failed to grow our economy. Both failed to create jobs for Nova Scotians.

We closed the JobsFund because it added to the province's debt and it failed to create jobs. Worse still, the commitments made by both of those funds continue to impact our province's finances.

This year alone, past commitments from the Industrial Expansion Fund and the JobsFund cost $35.2 million. That's the echo of some bad deals, which cost taxpayers dearly. That's the legacy of political decisions sold as economic development.

That's $35.2 million we don't have—to spend on public education, health care, or skills and jobs training.

Not only did we close the JobsFund, we put in place new reporting requirements. Now, whenever we spend money on economic development, we must provide regular updates on our investments.

The other fundamental flaw of the old approach to economic development was that politicians picked one entrepreneur over another.

Government should not give one business an unfair advantage over another. Government exists to improve the playing field for all Nova Scotia businesses.

Our government's vision includes making sector-wide investments. These investments benefit all businesses in strategic sectors.

These investments make it easier to capitalize on opportunities for growth.

Opportunity for Growth: Vineyards and Wineries

That's why this budget is investing $3.5 million in our vineyards and wineries. It will pay for more research and development, and it will help our wine producers find new business in new markets.

This investment in innovation means new products, new businesses, and more opportunity in Nova Scotia.

Opportunity for Growth: Aquaculture

Thanks to the hard work of the Minister of Fisheries and Aquaculture we are investing $2.8 million in the Aquaculture Growth Strategy. This money will help support research and development in our important ocean tech sector.

Our seafood exports grew by 33 per cent in 2015, and our investments in aquaculture will help those exports continue to grow.

Aquaculture is an opportunity for job growth. And that means more opportunities for youth to stay in Nova Scotia.

Opportunity for Growth: Tech

Nova Scotia's start-up community is impressive and it is growing.

That's why our government committed to bringing coding to our classrooms faster than planned. Coding builds on the basic skills in the math curriculum, and we will work closely with our teachers as coding is phased in over the next few years. Making this investment today will help prepare our children for the opportunities of tomorrow.

This year, we will invest $1 million to expand coding activities in our schools.

That will support teachers and students. It will empower teachers like Andrew Stickings. His grade 6 students at École Rockingham Elementary School in Halifax are learning in a way he could not have imagined.

His students get access to little round, plastic robots—made by Sphero, the creator of BB-8, the loveable rolling droid from *Star Wars: The Force Awakens*. His students use these robots to make magical things happen.

His students aren't just having fun—they're working away on the STEM curriculum, which is built around the notion of studying science, technology, engineering, and mathematics in an interwoven, applied manner.

It's why we are investing in incubators and sandboxes across the province.

They are places where Nova Scotians from different backgrounds can come together, where we can foster their creativity and ingenuity, and where tomorrow's innovators can become inspired.

That's part of government's vision for economic growth. And, Mr. Speaker, that's not all.

Opportunity for Growth: Tourism and Culture

We know that tourism is an essential part of our province's economy. People around the world appreciate our culture and our passion, our heritage and our history. We are making investments that will make it easier for people to visit Nova Scotia, and we are making investments that celebrate our culture and our heritage.

That's why we are investing $10.2 million in the Nova Scotia to Portland ferry so we can bring more tourists to our province. In 2015, we witnessed a 6 per cent increase in overnight tourist visits—the largest one-year increase since 2000.

We also recognize the important role of events in building strong communities and generating economic benefits. We will invest $500 thousand for major events hosting and to celebrate our heritage, we will invest $2 million to support Canada 150 events throughout our province.

Government is also increasing investment for community and cultural organizations requiring assistance to repair and upgrade facilities by making additional funding available for community facility projects.

Despite what you may be hearing, this government supports the film and television industry. We want it to succeed. That's why we are investing $10 million in the Nova Scotia Film and Television Production Incentive Fund.

We are also investing $2.5 million in the creative economy to support our artists, musicians, and publishers who also contribute to our economy. We need to do more than just make sector-wide investments. We need to ensure that our businesses have better access to capital and digital infrastructure.

Opportunity for Growth: Private Sector Venture Capital Fund

To further improve access to capital, our government is investing $25 million in a new venture capital fund. This fund will be led and administered by the private sector. It will be designed to pair public money with private money. Most importantly, decisions will be made by people with expertise.

Opportunity for Growth: High-Speed Internet

Lack of access to high-speed Internet is holding too many Nova Scotians back.
It hurts small businesses and places an unnecessary burden on potential entrepreneurs.

High-speed Internet is the backbone of the new economy. It is essential for business success.

This year, we are investing $6 million in this essential piece of digital infrastructure.
We will work with our partners to develop a solution.

We are committed to ensuring more homes and businesses in rural Nova Scotia have access to high-speed Internet, connecting them to opportunities here at home and around the globe.

It won't just benefit business.

It will create more connected citizens and consumers. It will mean better access to services and more choice. With more choice and more access people will be more empowered. That's how we build a connected Nova Scotia—a stronger Nova Scotia.

Opportunity for Growth: People

The One Nova Scotia Commission also told us that we need to grow our population if we want to grow our economy.

Our government took it to heart.

In two years, we doubled the number of immigrants we can receive through the Provincial Nominee program.

The way the people of Nova Scotia welcomed refugees with open arms will stand as a testament to our humanity. We welcomed strangers as friends.

We honoured our history. For decades, Nova Scotia welcomed immigrants through Pier 21. It is where Dutch and English immigrants first landed in Canada. We welcomed child evacuees during World War II. We welcomed Holocaust survivors. We welcomed those who wanted to come here. We welcomed those fleeing oppression.

According to Statistics Canada, our population is now at an all-time high thanks, in large part, to immigration.

This year we are working to build on this success.

We are investing to support the settlement of immigrants and to support our two new immigration streams: the Entrepreneur Stream and the International Graduate Stream.

This year, we are also investing $100,000 in the Community Refugee Support Initiative. It will provide grants of up to $1,000 to community and sponsoring groups who are helping refugees settle here. It will ensure many of the refugees who land here call Nova Scotia home.

Our immigration successes mean more people, more entrepreneurship, and more economic growth.

There's more work to do.

Rest assured, we are up to the task. This government, the premier, and the immigration minister have successfully lobbied the federal government on multiple occasions. On immigration, Nova Scotia is setting an example for others to follow on the national stage. We are leaders in our region.

This government understands that we cannot solve our economic problems alone. We need to work together to create a stronger economy. A stronger Nova Scotia.

Government is here to create an environment that makes growth possible.

Government is here to improve business confidence.

Government is here to expand access to capital and access to digital infrastructure.

Government is here to work with business to grow our economy.

We need to invest in our most valuable resource—our people—so they are ready to jump at opportunities when they present themselves. Supporting our people means investing in education, youth, and jobs training.

Investing in Education, Youth, and Jobs Training

We've spent our first two years making these kinds of investments. And, Mr. Speaker, we continue to invest in these priorities with this budget.

Quality Public Education

That's why we continue to increase the amount we invest to improve the quality of public education.

We know the best way to have a strong economy tomorrow is to invest in education today.

We know that to capitalize on opportunities for growth, we need to keep making education a priority.

We know that a stronger Nova Scotia can only happen with a well-educated population.

A stronger Nova Scotia is possible when our children's creativity and ingenuity is fostered in our schools.

We also know this work needs to start early.

And so our government is investing to make childcare more affordable for those who need it most.

Our budget is investing $6.6 million in childcare. This investment will support families in accessing childcare by increasing the parent subsidy. It will support childcare centres so they can provide programming that prepares our children for school. It also supports the workers in this very important field. The women and men who dedicate themselves to our children.

Our investment in childcare includes more money to increase the wages paid to trained early childhood educators. This will make it easier for centres to find and keep staff, and it will ensure our children get the start they need—the start they deserve.

Investing in childcare is a decision driven by the values of this government and the values of Nova Scotians. It levels the playing field, and it helps give our children a fair start.

As our children move into grade primary, they will continue to have the support of this government.

This budget increases the amount we invest in education by $21 million.

That money will be used to reduce class sizes, help boards hire more teachers, improve literacy and math skills, and ensure our children are ready for the jobs of tomorrow.

We have already made investments to reduce class sizes from grades primary to 4. That money stays in place, and our children will continue to see the benefits—they will get more support and more attention from their teachers.

This budget will invest an additional $6.4 million to reduce class sizes in our schools up to grade 6.

It means more support, more resources, and smaller classes for our children.

It means our children will be able to get the attention they deserve.

It means their odds of success improve.

When our children succeed, we succeed. When our children grow strong, our province grows strong. When our children prosper, our province prospers.

Over the next year, we will invest $7.5 million to help improve literacy and math skills.

The hard work of the Minister of Education and Early Childhood Development and teachers brought us the Education Action Plan.

As part of our Education Action Plan, we are investing $1.2 million in language arts from grades primary to 3 and $2.5 million to support our province's math strategy. The action plan heard from 19,000 Nova Scotians; it considered reports like One Nova Scotia's *Now or Never*, data from the Early Developmental Index, and student assessment results.

Nova Scotians were clear. We need more focus placed on literacy and math skills.

Parents also told us they want to ensure their children are being prepared for the jobs of tomorrow.

We listened.

We are accelerating the rate at which we introduce coding into the classroom. It is a $1 million investment. When our children learn to code, they are learning to create computer programs, they are learning to create software, and they are learning a language that will be essential for success in the digital economy.

We are expanding our SchoolsPlus sites with a $1.2 million investment. These funds will be used to add four locations and to increase the important supports students can access at these sites, including more mental health clinicians.

Our approach to education is straightforward: more resources and support for students, more teachers to help our children, and smaller class sizes.

Investing in education means more opportunities for our children tomorrow, while investing in skills and jobs training means more opportunities for workers today. And when students move on to university, we will continue to provide support.

Opportunities for Youth

We are investing to help our graduate students continue their research in Nova Scotia.

Over the next year we will almost double the funding to our Graduate Scholarship program.

We will invest $3.7 million in graduate scholarships—that's an investment in innovation and creativity today. Today's researchers are tomorrow's entrepreneurs.

This increased investment will mean we are able to help 310 students over the next year.

We also know that getting a job depends on having real-world experience.
The government is investing $5.1 million to improve access to co-op and summer jobs.

Government is working to hire more young Nova Scotians. We've committed to this. We've set targets to hold ourselves accountable.

We've hired 1,239 new workers aged 35 or under since 2013. More than 200 of those have been hired since November 2015.

We are taking steps, but government alone will not solve youth unemployment.

This year's budget continues the START program to help unemployed Nova Scotians find work. Because of this program, government and business work together to address unemployment and help more skilled trades people find work in Nova Scotia.

Our Graduate to Opportunity program helps recent graduates get their first job. Its first year was a success because we were able to partner with businesses to increase the number of opportunities and jobs for young Nova Scotians.

In 2015, programs like Graduate to Opportunity and START helped more than 1,000 Nova Scotians find work in the province.

It saw government partner with immediaC, a Dartmouth company that hired recent Dalhousie University graduate Tom Minshull. Tom spent six months looking for work. He thought he would have to leave Nova Scotia. The Graduate to Opportunity program made sure Tom found work here in Nova Scotia.

Graduate to Opportunity will continue in this year's budget. The funding will double to $3.2 million and it will create more opportunities for recent graduates.

We are investing in young Nova Scotians. Our commitment to them and their future starts early.

These investments make it easier for more Nova Scotians to find work in Nova Scotia. We are also improving services so all unemployed Nova Scotians have more support when looking for work.

Skills and Jobs Training

Nova Scotia's improved small business confidence means more growth and more job opportunities for Nova Scotians.

We need to ensure the government supports today's workers so they can take advantage of these opportunities.

This budget continues to support Careers Nova Scotia as it fights unemployment and helps our workers find jobs.

This government recognizes more money needs to go into helping unemployed Nova Scotians find work. We are changing this $23 million system, by spending less on administration and more on the front lines.

We know that Nova Scotians want to work. Our government is committed to helping them find work.

We are investing in education, youth, and job training because that's how we can help grow our economy and create jobs.

A stronger Nova Scotia also means supporting the Nova Scotians who need it the most.

Supporting Nova Scotians Who Need it Most

This year's budget has $11.5 million in programs to support women at risk.

This money supports transition houses, women's centres, second stage housing, and other shelters. It is funding the province's first Sexual Violence Strategy.

Our government and the Minister of Community Services is committed to ending violence against women, and we are here to support the community groups who are there for women when they need them most.

We are increasing assistance for people with disabilities by $12.9 million.

That includes increasing funding to the Disability Support Program for people in long-term care facilities and expanded community-based options for people with disabilities. We are helping transition clients out of facilities and into communities.

A fair Nova Scotia is an inclusive Nova Scotia.

We want every Nova Scotian to live and work to their fullest potential. We want people with disabilities to fully participate in our society. We want to remove barriers to employment.

Investments like those in today's budget will tear down barriers and build up opportunities.

We are increasing income assistance rates while overhauling the Department of Community Services so we can do a better job of providing job training to clients so they can find work, provide better services and support to women at risk, and provide more effective assistance to people with disabilities.

While the Department of Community Services is working hard to overhaul the system, we are also increasing Employment Support and Income Assistance by $7.5 million. It is the biggest increase in our province's history. It is a step we can take today to help those on income assistance—those who need it the most. It is a step we can take today because of the hard work over the first two years of this government.

We will increase funding to the Early Intensive Behavioural Intervention program by $3.6 million.

This will ensure more young children with autism access a specialized therapy. This funding will provide timely access and support for children and their families.

We need to ensure our children get a fair start. Our investment in early intervention will make that possible.

These investments and programs will help those Nova Scotians who need it most. They will ensure more Nova Scotians have a chance to share in our province's growth. They mean more support for our children who are the most in need.

When more people share in our growth, it's easier to sustain our growth.

These investments are value-based decisions Nova Scotians support because we are a province that values fairness.

We are ready to capitalize on opportunities for growth; we are investing in education, youth, and jobs training; and we are helping those Nova Scotians who need it most. We also need to ensure our health care system is delivering timely access to the health care we need, when we need it.

Healthy People, Healthy Economy

This year's budget will focus on creating an innovative, well-managed, and connected healthcare system that meets the needs of Nova Scotians.

We know the healthier Nova Scotians are, the stronger our communities and our economy will become.

Budget 2016–2017 will build upon the good work done by the Minister of Health and Wellness and the department over the past two years to unify Nova Scotia's health system.

We are taking the one-time revenue bump of $110.3 million and putting it on our debt. This will give us the fiscal capacity to make critical investments in a new healthcare complex that will serve the province and the region.

This significant investment will provide the opportunity to change the way healthcare is delivered in the province.

Some of the most complicated, specialized services are delivered at the Centennial and Victoria General buildings, with nearly 16,000 surgeries performed each year.

However, those buildings are aging. The problems are well known.

Healthcare needs are also changing, and the way in which we deliver that care needs to as well. To meet the needs of patients today and into the future, over time services will be moved out of these buildings. We need to construct health infrastructure that meets the needs of Nova Scotians for decades to come.

While we are investing in infrastructure we are also investing in our ability to complete more surgeries every year.

This year, we are adding $1.9 million to fund more operations that will help us reduce wait times for orthopedic surgeries.

With this year's additional funding, we are able to perform up to 835 new hip and knee procedures.

Government continues to make investment in mental health and addictions services a priority. Again this year, we will contribute more than $271 million in mental health funding. This includes services to those living with mental illness, payments to physicians, and pharmaceuticals.

Over the past two years we have worked to strengthen training for healthcare providers and supports available to those living with mental illness, and their families.

As a result of its redesign, the Department of Health and Wellness will transfer $5.4 million this year to the Nova Scotia Health Authority and the IWK Health Centre to support mental health services. NSHA and IWK are working to study the needs of communities across the province, and better match mental health services to those needs.

Seniors have worked hard to support their families and contribute to their communities. We need to help seniors stay healthy longer and offer services and support to protect their well-being as they age.

Their knowledge, experience, and wisdom are important to building a stronger Nova Scotia.

That's why we are adding $14.4 million for home support and nursing, the caregiver benefit, and wheelchair programs. We know Nova Scotians want to age at home, not in an institution.

These investments are in addition to our improvements to Seniors' Pharmacare. We are making the program more affordable through exempted or reduced premiums for seniors who need it most, saving seniors $3 million. We are making it a program that is focused on fairness.

We are a government that is committed to seniors and their well-being.

We are committed to better access, shorter waits, more doctors, and improved seniors' health and home care. We are investing in those commitments in this budget.

Conclusion

Mr. Speaker, we know we have opportunities for growth. It is up to us—both the government and the people of Nova Scotia—to seize those opportunities.

We know it's a choice. We chose to act because standing still is not an option.

We are laying the groundwork, building the infrastructure, and investing in strategic sectors to foster long-term economic growth.

We continue with our investments in education, youth, and jobs training so Nova Scotians can stand shoulder to shoulder with us. Only by standing and working together can we make Nova Scotia stronger.

Of course, today is only one part of our journey. It started two years ago. As a government we made tough choices to restore our province's financial health. As a people, Nova Scotians stood with us. Our civil servants supported us. For their support and hard work we are grateful.

Our collective efforts and sacrifice have helped improve our province's financial health, but we must continue to properly manage our finances. Failure will put future investments at risk.

The work of Nova Scotians and the sacrifice in which we all shared made the investments we are announcing today possible.

When we control our finances and control our spending, we are making strategic decisions.

We are investing in opportunities for growth.

We are investing in education, in youth, and in jobs training.

We are offering more support to Nova Scotians who need it most.

And we are putting money aside to launch a multi-year redevelopment of the QEII Health Sciences Centre that will enhance care for patients across Nova Scotia and Atlantic Canada.

These things were made possible because of the support of Nova Scotians. These things were made possible because we, as a province, pulled together.

These are not government achievements—they are Nova Scotians' achievements.

Our future will be shaped by the decisions and successes of today.

It will be shaped by investments that empower the next generation and forged by our children's creativity.

We are committed to a better future, and we know Nova Scotians are committed to a better future, too.

We are working together for a stronger Nova Scotia.

NOVA SCOTIA

© Crown copyright, Province of Nova Scotia, 2016